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No. 1087

IN THE

Supreme Court of the United States

OCTOBER TERM, 1962.

SHAW-BARTON, INC.,

Petitioner.

vs.

JOHN BAUMGARTH CO.,

Respondent.

On Petition For a Writ of Certiorari
To The United States Court of Appeals
For the Seventh Circuit

REPLY BRIEF FOR PETITIONER.

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The Petition tendered to this Court two major questions, and supported them with reasons and citations which challenged Respondent and invited direct and fair replies. Respondent's brief does not contain such replies.

Rather, respondent has largely evaded the challenge and sought to *read into or* graft upon the Appellate Court majority opinion and the trial court opinion certain statements or conclusions not actually employed by the writers of those opinions nor reasonably inferable therefrom. Instances thereof follow.

1. For example, on page 2, lines 9-10, the brief positively states that the Court of Appeals *found* that Homemaker *had not acquired a secondary meaning.* No such finding was made. The court ignored evidence thereof by an assumption that it did not *exist.*

2. On page 4 in answer to "alleged reason three", the brief states that the Court of Appeals *disagreed* that the record contained ample proof of secondary meaning.

The Court of Appeals stated no such *disagreement.* It made the naked assumption in its opinion, printed at petition page 3a, *that because the trial judge made no finding that the mark had acquired a secondary meaning, we may assume that none existed".* The Court dropped the subject right then and there. It was wholly satisfied with its assumption,—even if Judge Hastings was not.

3. Respondent regrets the unadorned assumption and recognizes that the terse and conclusive foregoing assumption of the majority opinion needs a little helpful interpretation and embellishment. So the brief, at the bottom of page 4, states that the assumption is also the *equivalent* of saying that "a study of the record failed to lead to a different conclusion." Judge Minton, in *Wilhartz* v. *Turco,* CA 7th, 164 F2d 731, 733 made a positive statement (see Petition p. 7) that the court had studied the record for evidence of secondary meaning and he thereupon analyzed some of the evidence. In this case, if the majority had done likewise, would they not have plainly said so, especially when supposedly relying on Judge Minton's opinion?

4. In the first three lines at the top of page 5 of its brief, the Respondent reads into or grafts upon the Appellate Court opinion some further interpretation, which is ridiculous and contrary to the court's bald assumption.

5. Not content with bolstering the Appellate Court opinion, the brief at the top of page 5, lines 3 and 4, makes the astonishing and untrue assertion "that the trial court's opinion was to the same effect on this point,"

without, of course, directing this Court's attention to where in Judge Robson's opinion and findings he made or indicated such a finding of secondary meaning.

6. Being then carried away with this line of thought, Respondent at the top of page 5, in italics, lets go with both barrels, and asserts that plaintiff's failure to prove secondary meaning led, first, to the Appellate Court's *assumption*, and second, to no finding of secondary meaning by the trial court. Neither statement is true.

The majority opinion states nothing more than that its assumption is based on the absence of a certain finding by the trial court (Petition p. 3a).

The trial court (Appendix p. 110) held the mark not *descriptive* but *suggestive*, and Respondent's Brief, page 5, last paragraph, admits that a non-descriptive mark needs no secondary meaning. Indeed, it is the settled law that a *suggestive* mark needs no proof of secondary meaning. *Huntington Laboratories* v. *Onyx Oil and Chemical Co.*, 165 F2d 454 (CCPA-1948), quoted on page 9 of the Petition. To the same effect is *Watkins Products Inc.* v. *Sunway Fruit Products Inc.*, CA 7th, 311 F2d 496, 499.

7. Respondent's Brief essays a venture into clairvoyance in the middle paragraph on page 5, noting that petitioner had first raised its reliance on 15 U.S.C. 1052 (f) in its Reply Brief in support of Petition for Rehearing. That much was true, but the brief then states that the Appellate Court *found the contention lacking in merit*. That court made no such finding,—it simply denied the petition, which was urged on several grounds. Petitioner fully recognizes that 15 U.S.C. 1052(f) is directed to the Commissioner of Patents. Its importance here is that if 5 years of use has the evidentiary value there defined to constitute *prima facie* evidence that a mark has become

distinctive of a user's goods, the much longer usage by Shaw-Barton of its mark furnishes practically conclusive proof of distinctiveness (*i.e.* secondary meaning), unless contradicted by some persuasive evidence, which this record most certainly lacks.

Referring now to Respondent's Rebuttal, beginning on page 4, the first "Answer" is incorrect. In adopting its *assumption based* on an *absent finding*, the majority of the Court of Appeals chose to rely on its assumption and decline to examine and weigh the evidence of secondary meaning. That act alone was a denial and a deprivation of Appellee's right to rely on any and all evidence in the record which might support the ultimate judgment rendered by the trial court.

It is not the law in the Federal Courts, nor in the State of Illinois that the absence of a finding of fact in an equity suit may be construed as a negative finding on the point by the trial judge. Respondent has not cited and cannot cite any case contradicting this above statement.

As Petitioner contended before the trial court that its mark was not descriptive, and the court so held, it did not ask for a finding that the mark had acquired a secondary meaning, and this was proper as is pointed out in the *Huntington* v. *Onyx* case, cited and quoted from on page 9 of the Petition.

Respondent submitted 19 proposed findings of fact to the trial court, but not any finding that the mark had not acquired a secondary meaning.

But in its Petition for Rehearing, the Appellee did vigorously assert that it was entitled to have the evidence in the record on this point considered. The denial of the Petition for Rehearing was a further denial of Appellee's

rights in this matter and under the law cited on pages 5 to 12 of this Petition, it is believed that Petitioner has shown an imperative reason for the grant of this Petition.

The "alleged reason two" framed by Respondent on page 4 of its brief is not one of the "reasons" proffered as such by Petitioner for the granting of this Petition. However, this point of law was discussed to show why Judge Robson did not need to support his judgment by a finding of secondary meaning, and the Petition so states this at page 9.

The point is further involved in the consideration of Petitioner's Question No. 2. If a court correctly interprets 15 U.S.C. 1052(e), and follows the decisions discussed on pages 12 and 13 of the Petition the court will in any case like the present one hold that a mark which is the name of a prospective user of the trademarked goods is *merely a suggestive* mark, needing no proof of secondary meaning.

Respondent's brief appears to take the position in reference to "alleged reason three" that Petitioner urges this Court to grant the petition because the record contains ample evidence of proof of secondary meaning. Respondent's position is misleading and incorrect. This would not be a recognized reason for granting the writ.

But when, as here, a Petitioner charges that the Appellate Court has violated Appellee's right to support his judgment by any evidence of record, it is incumbent upon the petitioner to show the Supreme Court what the evidence is in the record whose use he was denied. This we have done, and what we have alluded to is some of the evidence mentioned by Judge Hastings in his dissenting opinion, printed in the Petition at pages 5a and 6a.

Coming to "alleged reason four", Respondent correctly identified a title relating to the Question No. 2, but then declined to discuss what is a proper judicial interpretation of 15 U.S.C. 1052(e).

In the Court of Appeals, the Appellee, Shaw-Barton, cited *Hamilton-Brown* v. *Wolf Bros.*, 240 U.S. 251, 256, 257 as well as *Bonne-Belle* v. *Lanolin Plus Cosmetics Co.*, 202 F2d 790, 792 and *Hansen* v. *Triangle Publications Inc.*, 163 F2d 74 in support of its trademark.

Appellee was amazed later to find the majority opinion employing these first two cases to support allegedly a finding that the mark was descriptive.

The majority opinion then turned to 15 U.S.C. 1052(e) for the same support, but it is thought that the majority opinion does not reflect a correct interpretation of the statute.

It is noted that Respondent's brief did not undertake to justify the court's application of these cases, which would have been, indeed, difficult.

The Court of Appeals in the immediately foregoing *Bonne Belle* case reversed the Commissioner of Patents who had held that a mark which was the name of a prospective customer was descriptive in the sense of the statute 15 U.S.C. 1052(e). The court said, at page 791, "But to permit such a finding or belief to be, if not all controlling in its decision, certainly predominating in the reason applied, as was done in this case, *is going far beyond even a most liberal expansion of the statute* and to *an extent we cannot approve.*" (Emphasis added).

The Supreme Court itself has not yet interpreted 15 U.S.C. 1052(e) on the above point considered in the *Bonne Belle* case. But in 1916, when the Trademark Act

of 1905 was in force, this Court did cover this point in a very authoritative fashion in *Hamilton-Brown Shoe Co.* v. *Wolf Bros.*, 240 U.S. 251, 256, 257. The trademark of plaintiff Wolf Bros. was "The American Girl" applied to women's shoes, and defendant's mark was "American Lady," likewise applied to women's shoes. At 240 U.S. 256, 257, the Court said:

> "We do not regard the words 'The American Girl' adopted and employed by complainant in connection with shoes of its manufacture as being a geographical or descriptive term. It does not signify that the shoes are manufactured in America, or intended to be sold or used in America, nor does it indicate the quality or characteristics of the shoes. Indeed, it does not, in its primary signification, indicate shoes at all. It is a fanciful designation, arbitrarily selected by complainant's predecessors to designate shoes of their manufacture. We are convinced that it was subject to appropriation for that purpose * * * 'The American Girl' would be descriptive of almost any article of manufacture, that is to say, not descriptive at all."

There is a violent conflict between the Seventh Circuit's current interpretation of 15 U.S.C. 1052(e) and the decisions cited by Petitioner on page 12 of its petition. The Seventh Circuit noted but refused to follow the wise decision of this Court in the *Hamilton-Brown* case. Now that the Lanham Act has superseded the Act of 1905, it is respectfully submitted that this Court should take this case for review and announce whether it will interpret 15 U.S.C. 1052(e) consistently with the cited decisions or will support the current decision of the Seventh Circuit in this case.

CONCLUSION

Question No. 1 has presented to this Court an instance of the denial of an Appellee's "inveterate and certain" right to rely on any and all evidence of record to support the judgment of the trial court. That denial is in violent conflict with numerous decisions of this Court, and in such denial the Appellate Court has so far departed from the accepted and usual course of judicial proceedings as to call for an exercise of this Court's power of supervision.

Petitioner represents that it is apparent from the record and this Petition that the errors adverted to in Questions No. 1 and No. 2 are important to the proper administration of the trademark laws, the proper conduct of appellate review, and involve matters and principles the settlement of which is of importance to the public. It should be noted that no other Court of Appeals invokes, in an equity suit, the "absent finding" "assumption" as was done here and no other court has denied Appellee's rights as above discussed.

Respectfully submitted,

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